

## Chapter 7

# The Project Specific Agreement

### 7.1 General Discussion

The Project Specific Agreement (PSA) is an agreement between a local agency and the Montana Department of Transportation (MDT). An agreement is prepared by MDT for each federal aid project, and it covers all phases of work involved in the project (preliminary engineering, right-of-way acquisition, construction). Its purpose is to ensure that the federal funds in the agreed-upon amount are spent in accordance with all applicable state and federal laws and regulations.

If the federal aid participation ratio entered in the agreement is not the full amount allowed by the Federal Highway Administration (FHWA), then the participation ratio entered becomes the limit of funding allowed.

MDT will request Transportation Commission approval for the project based on an acceptable agreement. Once that approval is received, MDT will request funding from FHWA. After FHWA authorizes and signs the federal-aid project agreement, MDT will notify the agency to proceed. No costs are eligible for federal aid reimbursement until authorized in writing by MDT. *This authorization is separate from the agreement.*

### 7.2 Preparation Procedure

To provide MDT with the information necessary to write the PSA, a Local Agency Agreement Form must be prepared and submitted by the local agency to the MDT CTEP Engineer when the Project Proposal (Chapter 6) is submitted. This agreement form will be retained by MDT. It is the responsibility of the local agency to retain a copy for their files.

An agreement form is contained in Appendix 7.41, with instructions for completing it in Appendix 7.42. Local agency cost estimates for each phase of a project are entered on the form, as well as the project name, length, termini, description, and method of financing. These methods are described in Appendix 7.42.

### 7.3 Supplemental Agreement

Funds requested beyond the amount set forth in a Project Specific Agreement will require execution of a Supplemental Agreement.

Changes to the project funding must be made in accordance with this manual (see Chapter 2). Projects that exceed the agreement amount at the time of construction contract award must receive written approval from the state for the additional federal funds required. This requires that the local agency prepare, sign, and submit a Supplemental Agreement to the MDT CTEP Engineer before the approving authority concurs in the contract award.

A Supplemental Agreement form is shown in Appendix 7.43, and instructions for completing it are given in Appendix 7.44. Like the original agreement form, the Supplemental Agreement form requires information about the project's name, length, termini, description, and funding.

**7.4 Appendices**

7.41 Local Agency Agreement

7.42 Instructions for Preparing Local Agency Agreement

7.43 Local Agency Agreement Supplement

7.44 Instructions for Preparing Local Agency Agreement Supplement

## Appendix 7.41

## Local Agency Agreement Form

**Montana Department of Transportation  
Local Agency Agreement Form**

Agency \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

CFDA No. 20.205  
 (Catalog of Federal Domestic Assistance)  
Project No. \_\_\_\_\_  
Control No. \_\_\_\_\_  
 For OSC MDT Use Only

The Local Agency having complied, or hereby agreeing to comply, with the terms and conditions set forth in (1) Title 23, U.S. Code Highways, (2) the regulations issued pursuant thereto, (3) Office of Management and Budget Circulars A-102, A-87 and A-133, (4) the policies and procedures promulgated by the Montana Department of Transportation, and (5) the federal aid project agreement entered into between the State and Federal Government, relative to the above project, the Montana State Department of Transportation will authorize the Local Agency to proceed on the project by a separate notification. Federal funds which are to be obligated for the project may not exceed the amount shown herein on line r, column 3, without written authority by the State, subject to the approval of the Federal Highway Administration. All project costs not reimbursed by the Federal Government shall be the responsibility of the Local Agency.

**Project Description**

Name \_\_\_\_\_ Length \_\_\_\_\_

Termini \_\_\_\_\_

Description of Work \_\_\_\_\_

Type of Work		Estimate of Funding		
		(1) Estimated Total Project Funds	(2) Estimated Agency Funds	(3) Estimated Federal Funds
<u>PE</u> _____% Federal Aid Participation Ratio for PE	a. Agency			
	b. Other			
	c. Other			
	e. Total PE Cost Estimate (a+b+c)			
<u>Right of Way</u> _____% Federal Aid Participation Ratio for RW	f. Agency			
	g. Other			
	h. Other			
	j. Total ROW Cost Estimate (f+g+h)			
<u>Construction</u> _____% Federal Aid Participation Ratio for CN	k. Contract			
	l. Other			
	m. Other			
	n. Other			
	o. Agency			
	q. Total CN Cost Estimate (k+l+m+n+o)			
Construction Engineering _____% for CE	r. Agency			
	s. Other			
	t. Contract			
	u. Total CE Cost Estimate			
<b>v. Total Project Cost Estimate (e+j+u+q)</b>				

**Appendix 7.42 Instructions for Preparing Local Agency Agreement**

**.01 Agency Name and Billing Address.** Enter the Agency of primary interest which will become a party to the agreement.

**.02 Project Number.** Leave blank. This number will be assigned by MDT.

**.03 Control Number.** Leave blank. This number will be assigned by MDT.

**.04 Project Description.** Enter the project name, total length of the project, and a brief description of the termini.

Example: (Name) Regal Road; (Length) 0.84 km (0.52 miles); (Termini) Tuscan Road to approx. 76.2 m (250 feet) south of Michan Road.

Below “Description of Work,” enter a brief outline of the major items of work to be performed.

Examples: (a) “Widening, channelization, curbs, gutters, illumination, and traffic signals.” (b) “Right-of-way will be acquired by Agency forces.”

**.05 Type of Work and Funding.**

a. PE. Lines a through d show Preliminary Engineering costs for the project by type of work.

\*Federal aid participation ratio for PE enter ratio for PE lines with amounts in column 3.

Line a — Enter the estimated amount of agency PE in columns 1 through 3.

Line b & c — Identify user, consultant, etc., and enter the estimated amounts in columns 1 through 3.

Line e — Total of lines a+b+c

b. Right-of-Way. If Right-of-Way is acquired on the project, the appropriate costs are shown in lines f through j.

\*Federal aid participation ratio for ROW — enter ratio for ROW lines with amounts in column 3.

Line f — Enter the estimated amount of agency work in columns 1 through 3.

Line g & h — Identify user, consultant, etc., and enter the estimated amounts in columns 1 through 3.

Line j — Total of lines f + g + h.

c. Construction.

\*Federal aid participation ratio for CN enter ratio for CN lines with amounts in column 3.

Line k — Enter the estimated cost of the contract.

Lines l & m & n — Enter other estimated costs such as utility and construction contracts or non-federally matched contract costs.

Line o — Enter estimated costs of all construction related agency work.

Line q — Total Construction Cost Estimate. Total of lines k + l + m + n + o.

d. Construction Engineering

\*Please remember, if the federal aid participation rate entered is not the full amount allowed by FHWA, then the participation rate entered becomes the maximum amount allowed.

Line v — Total Cost Estimate of the Project. Total of lines e + j + u + q.

## Appendix 7.43

## Local Agency Agreement Supplement

## Montana Department of Transportation

## Local Agency Agreement Supplement

Agency		Supplement Number	
Federal Aid Project Number	Control Number	CFDA No. 20.205 (Catalog of Federal Domestic Assistance)	

The Local Agency desires to supplement the agreement entered into and executed or \_\_\_\_\_.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

**Project Description**

Name \_\_\_\_\_ Length \_\_\_\_\_

Termini \_\_\_\_\_

**Description of Work** ↑ No Change

**Reason for Supplement**

Type of Work		Estimate of Funding				
		(1) Previous Agreement /Suppl.	(2) Supplement	(3) Estimated Total Project Funds	(4) Estimated Agency Funds	(5) Estimated Federal Funds
<b>PE</b> _____% Federal Aid Participation Ratio for PE	a. Agency					
	b. Other					
	c. Other					
	e. Total PE Cost Estimate (a+b+c)					
<b>Right of Way</b> _____% Federal Aid Participation Ratio for RW	f. Agency					
	g. Other					
	h. Other					
	j. Total ROW cost Estimate (f+g+h)					
<b>Construction</b> _____% Federal Aid Participation Ratio for CN	k. Contract					
	l. Other					
	m. Other					
	n. Other					
	o. Agency					
	q. Total CN Cost Estimate (k+l+m+n+o)					
<b>Incidental Construction</b>	r.					
	s. Total Project Cost Estimate (e+j+q+r)					

**Appendix 7.44                      Instructions for Preparing Local Agency Agreement Supplement**

**.01 Agency.** Enter the agency name as entered on the original agreement.

**.02 Supplemental Number.** Enter the number of the supplement. Supplement numbers will be assigned in sequence beginning with Number 1 for the first supplement.

**.03 Project Number.** Enter the federal aid project number assigned by MDT on the original agreement.

**.04 Control Number.** Enter the agreement number assigned by MDT on the original agreement.

**.05 Execution Date.** Enter date the original agreement was executed on.

**.06 Project Description.** Enter the project name, length, and termini.

**.07 Description of Work.** Clearly describe if there is a change in work. If the work has not changed put a check mark in the "No Change" box.

**.08 Reason for Supplement.** Enter reason for this supplement, i.e., increase PE funding to cover design changes presented in the revised prospectus; request funding of construction phase; decrease construction funding to the contract bid amount, etc.

**.09 Types of Work and Funding.** Complete this section in the manner described in Appendix 7.42, Paragraph .05.

- |                    |   |
|--------------------|---|
| a. Column 1        | Enter the amounts from column 1 of the original Local Agency Agreement. If the agreement has already been supplemented, enter the amounts from column 3 of the last supplemental agreement. |
| b. Column 2        | Enter additional amounts requested.   |
| c. Column 3        | Add the amounts in columns 1 and 2.   |
| d. Columns 4 and 5 | Enter the appropriate amounts based on the participation ratio recorded on the original agreement.  |